

D.T.E. 99-106

Petition of Eastern Edison Company for approval of its compliance filing pursuant to G.L. c. 164, § 1B(b), and accompanying tariffs filed pursuant to D.P.U./D.T.E. 96-24.

APPEARANCE: Dennis St. Pierre

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FOR: EASTERN EDISON COMPANY

Petitioner

I. INTRODUCTION

On December 1, 1999, pursuant to Eastern Edison Company, D.P.U./D.T.E. 96-24 (1997), Eastern Edison Company ("EECo" or "Company") filed with the Department of Telecommunications and Energy ("Department") documentation supporting a series of rate adjustments to the Company's existing tariffs. The Company proposed that the tariff adjustments go into effect January 1, 2000. This filing was docketed as D.T.E. 99-106. Notice and a Request for Comments on this filing was issued on December 10, 1999, to all of the participants in D.P.U./D.T.E. 96-24.

On December 6, 1999, the Department requested comments from all electric distribution companies on the issues of distribution rate redesign and an appropriate inflation factor for rates effective January 1, 2000. The Department received responses from electric distribution companies, the Attorney General, and the Division of Energy Resources on December 9, 1999.

Upon review of these responses, on December 17, 1999, the Department sent all electric distribution companies a letter that delineated guidelines for distribution companies on distribution rate redesign and inflation adjustment in their 2000 reconciliation adjustment

filings ("December 17, 1999 Letter"). In response, on December 22, 1999, EEC_o submitted a revised filing supporting the rate adjustments under the Company's approved tariffs. On December 30, 1999, the Department suspended the Company's proposed rate adjustments until January 14, 2000. Eastern Edison Company, D.T.E. 99-106 (Order Suspending Tariffs) (1999). The Company filed revised tariffs on January 4, 2000.

According to the Company, the rate adjustments affect EEC_o's standard offer service, default service, transmission service, demand side management, renewables, and the transition charges. The revised tariffs provide a 15 percent rate reduction for all customer classes, adjusted for inflation through June 30, 2000. Consistent with the Department's directives, the inflation adjustment will be reconciled in the Company's next reconciliation filing (December 17, 1999 Letter at 6).

The Company also requested approval of its standard offer service tariff, M.D.T.E. No. 398. The Company proposed a modification of its currently effective standard offer service tariff by adding a temporary statutory compliance fuel adjustment reduction provision. The Company indicates that this provision permits EEC_o to recover increases in its standard offer costs from whole suppliers due to the operation of the standard offer fuel index. By placing the excess payments to suppliers in a deferral account for collection through the standard offer revenue reconciliation adjustment provision, EEC_o maintains that it will be able to avoid submitting a new filing each time the standard offer fuel index changes.

The Department finds that the tariffs filed by EEC_o are in compliance with the directives outlined by the Department in its December 17, 1999 Letter and are in the public interest.

II. ORDER

Accordingly, after due consideration, it is

ORDERED: That the tariffs submitted by Eastern Edison Company with the Department on December 10, 1999, M.D.T.E. Nos. 392, 401, 394, 395, 400 and 403, revised on January 4, 2000, and M.D.T.E. No. 398 filed on December 10, 1999, for service on and after January 1, 2000, be and hereby are ALLOWED; and it is

FURTHER ORDERED: That Eastern Edison Company comply with any and all other directives contained in this Order.

By Order of the Department,

Janet Gail Besser, Chair

James Connelly, Commissioner

W. Robert Keating, Commissioner

Paul B. Vasington, Commissioner

Eugene J. Sullivan, Jr., Commissioner